

# Understanding, Selling To, and Working With **Third Party Planners**

Jim Vandevender, Chief Development Officer  
The Knowland Group – 623 H Street NW, Washington DC 20001  
Phone: 202-351-1522 Email: [jvandevender@knowland.com](mailto:jvandevender@knowland.com)



# Executive Summary

Have you ever caught yourself wondering if all third parties are the same? Or do you ever question why their customers utilize their services? Have you ever considered how the commission structure actually works? Does it always have to be 10%? How do you begin to establish a relationship with third parties that can result in increased market share and additional group room nights? The landscape of third party providers seems to be increasing year after and by understanding why this segment is growing, you can explore additional avenues for revenue opportunities for your property. By considering the “business” of third parties, you can better align your sales efforts to take advantage of this lucrative portal of group business!

---

## CONTENTS

---

<b>Executive Summary</b>	<b>1</b>
<b>What is a Third Party?</b>	<b>2</b>
HelmsBriscoe	2
ConferenceDirect	2
Experient (part of Maritz)	2
<b>Why Do Meeting Planners Use Third Parties?</b>	<b>3</b>
To Save Time	3
To Save Money	3
To Make Money	4
SMMP / Procurement	4
Why Does This Matter To You?	4
<b>Your Steps Moving Forward</b>	<b>6</b>
How to Create a 3rd Party Game Plan	6
Using Knowland to Help You!	6
Bottom Line	6

## What is a Third Party?

Although the services offered by third parties can vary greatly, at the core, third parties work with meeting planners at all types of organizations to send out requests for proposals (RFPs) and negotiate hotel contracts for meetings and events on behalf of the booking organization. The sourcing of these RFPs is called "Site Selection" and most parties couple this service with contract negotiation. In some instances, they may also offer Conference Management, Housing and Registration services to meeting planners.

Almost all third parties require that a ten percent (10%) commission be paid by the hotel at which the group is booked, which is usually paid after the event is over on actualized roomnights.

This paper focuses on the network of the "Big 3" in the third party space, and not on other commissionable entities such as Destination Management Companies and Incentive Houses. The "Big 3" major players are HelmsBriscoe, ConferenceDirect, and Experient (which is part of Maritz).

### HelmsBriscoe

The HelmsBriscoe business model was founded by Roger Helms and Bill Briscoe in 1992 and it is essentially a licensed nationwide network of over 1000 former hotel executives who work for themselves to source meetings. HelmsBriscoe focuses primarily on Site Selection and Contract Negotiation, but it also has an outsourced Conference Management, Housing and Registration service called Resource One.

### ConferenceDirect

ConferenceDirect also offers a full Conference Management Division of approximately 50 to 60 associates dedicated to just CM. ConferenceDirect's client base is comprised of 1750 corporations and associations worldwide and over 350 associates. Its Housing and Registration Division is based out of Charlotte, NC.

### Experient (part of Maritz)

Experient began as Conferon in 1970, but by 2011 Experient and Maritz booked 6.4 Million Group Roomnights and a total of \$2 Billion in total group spend – more than the total Gross National Product of Mongolia! Like ConferenceDirect, Experient offers a full Conference Management, Housing and Registration service portfolio.

#### EXAMPLES OTHER INDUSTRY PLAYERS:

▲ HOSPITALITY PERFORMANCE NETWORK (HPN)

▲ MCVEIGH ASSOCIATES

Books approximately 130,000 room nights per year and source about 800 meetings per year.

▲ HAKINS MEETINGS AND INCENTIVES

Offers services from web registration to air ticketing, custom in-house design of web and print items to expert food and beverage management.

▲ VOILA! MEETING AND EVENT MANAGEMENT

Comprised of two principal partners, Eden Capuano and Olivia Immerman, it is based out of Washington, D.C.

▲ SITE SELECTION SERVICES

Headquartered in San Diego, some of their clients include Wells Fargo, General Electric, and California School-Age Consortium.

▲ AIM MEETINGS & EVENTS

Executes over 130 events per year, with full-service meeting management for most of their clients, which are 80% association.

# Why Do Meeting Planners Use Third Parties?

It's not always obvious why meeting planners use third parties. In order to understand, let's put ourselves in their shoes. Meeting planners are tasked with dozens of duties including (but not limited to!) coordinating the budget, marketing and organizing registration of the event, making travel arrangements, managing all logistical details, determining objectives and requirements of the event, and more. Selecting the hotel to host the meeting or event is just *one* small part of what can be end up being a **big** task!

## To Save Time

Planners often feel that RFP Creation and the sourcing of hotels or venues are important, but can be too time consuming. They therefore turn to third parties to try and remove some of that work from their plate so they have more time to focus on their many other tasks. Many planners feel that when they send the RFP out themselves they must then have multiple conversations with the properties being considered, often having to repeat themselves over and over, which can be inefficient and an ill-use of their limited time.

Bobby Hobes from SRA International's Division of Global Migration and Quarantine supports this and says *"I believe outsourcing is cost effective and allows our internal staff to concentrate on areas that need more attention. The third-party planners afford myself and other planners the luxury of putting energies into other areas, i.e., budget oversight, program content and logistic changes, to name a few."*

Moreover, Maurits Copenrath of Porsche North America uses a third party planner and said *"every company has its own legalese and she (Deborah Rich of HelmsBriscoe) took the time to learn and understand our particular style of contracting, like what we will and won't pay for. There is no back and forth. It's a model that is clean, efficient and to the point."*

## To Save Money

Most planners don't come from a hotel background, yet they as planners are forced to negotiate hotel contracts with hotel sales managers. Many feel that someone who was once part of the hotel sales side has a much better understanding and insight into what a hotel will and can negotiate on....in other words, they speak the same language. Planners like the idea of using this to their benefit when it comes to contract negotiation. In addition, many planners believe that because a third party may book more business (meetings and groups overall) than their one organization does, this is beneficial to them from a volume and leveraging point of view. For example, ConferenceDirect and Experient have pre-negotiated group contracts with many major hotel brands that they in turn offer their clients. They offer automatic 20% attrition, group rates 3 days pre- and post-event, favorable cancellation terms, etc. Many planners feel that although they too may be able to negotiate similar terms themselves, they would have to do so each and every time. By using CD or Experient, it's automatic!

Bron Prokuski, Vice President of Business Operations for the National Defense Industrial Association, uses HelmsBriscoe for help with his annual meeting and workshop events. According to Prokuski, *"it makes no sense to try and run a three-day event for 20,000 people with two or three staff people. Associations are about building the member experience and value, so we need to concentrate on that. The fact that third parties can often pull the association out of a problematic situation is a huge advantage."* Prokuski says he turned to HelmsBriscoe for help because his meetings can best be handled by an outside source that has the core competencies he needs.

Leigh Wintz, former Executive Director for Soroptimist International of the Americas said: *"Associations have less bargaining power with hotels and other suppliers than they used to. Because attendance is down, all those contracts we negotiated two to three years ago need new negotiating, and a third party is in a much better*

*bargaining position than I am. Our staff is overworked and when we outsource, we free up time for our meeting planners to do strategic marketing activities that need to be done in-house. Some association planners may still have the attitude that third parties can't get a better deal than they can, that bargaining is part of their job....but using third parties costs nothing and they provide a helpful service. So why wouldn't you?"*

---

## To Make Money

---

Yes, some organizations actually make money by using a third party through a Revenue Share Agreement. This is when an organization brings in a third party who then sources the RFPs and charges a ten percent commission, which is collected from the hotel and shared with the organization they are booking the meeting for. This is not uncommon and some organizations have found it a way to create revenue streams with the meetings they book. In many cases, this shared commission helps offset the costs of the meetings themselves. In some cases, it's a 50/50 split and in a few instances the entire amount is turned back over to the organization in its entirety and the third party is compensated by being paid a flat fee for their services.

---

## SMMP / Procurement

---

Meeting planners are sometimes required by their

procurement division to work with certain third parties as part of their Strategic Meeting Management Program (SMMP).

---

## Why Does This Matter To You?

---

It is important to understand what the actual relationship is between a third party and their client, meaning you should make a point to find out if the relationship:

- Is a Formal Written Agreement?
- Is a "Test Meeting" to see if the third party can show value?
- Is a long term, deeply established relationship?
- Is an exclusive relationship in which the organization uses only that third party?
- Works with one division of the organization or all the offices/chapters?
- Is part of an implant structure such as a Strategic Meetings Management Program?

All of these can factor into how you go about building a relationship with that third party. Let's take a look at some examples of understanding this relationship

## REAL LIFE EXAMPLES

### YOU WANT MORE SIEMENS BUSINESS

For example, let's say that you want to tap into more Siemens business. By understanding that ConferenceDirect is the implant at Siemens as mandated by their Strategic Meeting Management Program, you will then know a few things:

- That going around ConferenceDirect to the planners at Siemens can be a potential waste of time for you. The planners at Siemens have an SMM Program they are working within and ConferenceDirect is part of that...your sales efforts toward the Siemens planner alone will not be as effective as including a solicitation effort toward CD as well.
  - It can frustrate the meeting planners if you try to circumvent their SMMP. At Microsoft, the Event Planners for the C-Level and City Wide groups in Redmond express great frustration when they get called by a hotel directly!
  - Once you accept this, you will realize that the ConferenceDirect contact can also be useful to you from an informational point of view – a conduit to explain to you the ins and outs of Siemens complex SMM Program and how it works.
- By knowing that Crystal Anderson's relationship with Melissa Ronacher of ConferencDirect is well developed and deeply rooted, you may be well advised to tap into that relationship through Melissa first. You could learn that one of the main reasons they use CD is contract management – In 2009, Crystal was working on reducing GHX's 2010 room blocks to account for the attrition they expected. Melissa Ronacher helped orchestrate a solution. She regularly revisits contracts for future events and makes adjustments as needed. There can be five or six renditions of a contract with GHX meetings.
  - GHX also likes working with CD because they track trends such as hotel rates and development, and it helps her stay on top of what's going on in the industry. Every year ConferenceDirect holds an event they call Industry Insights where industry experts speak on different topics and issues. Crystal feels it is the most valuable educational event that she attends. She relies on CD's tangible, in-depth information like what the hotel community projects for pricing and new-builds etc.
  - By knowing that Crystal goes to IndustryInsights, and your hotel wants to be considered for GHX business, perhaps you could be a sponsor or attend IndustryInsights, and create the opportunity to meet her through Melissa.

# Your Steps Moving Forward

## How to Create a 3rd Party Game Plan

Begin by identifying the third party planners in your geographical region – don't limit yourself to your back yard, but use that as a starting point! Visit their website and find representatives in your area. Reach out to them and introduce yourself and your hotel. Be proactive... don't wait for them to come to you! Make sure to express your interest in working with them and learning about their customers. Convey your understanding of their hot button issues:

- Importance of responding to their RFPs quickly
- Importance of offering "best deals" up front
- Offering concessions so that they can take credit for negotiating with you (Make them look good to their clients)
- Willingness to work with their clients contractual needs
- Offer to host the third party at your hotel—and invite them to bring along their clients... perhaps their client is having a birthday or anniversary and you can provide a dinner or lunch?
- Ask if they have a formalized agreement in place with their client – what are the dates of the agreement?

Once the third party is comfortable with you, they will increase the amount of client exposure you get! But don't stop there – identify the Regional VP and offer to host a regional meeting and ask about the best way to meet and interact with his/her team. Ask if it's possible to get a list of reps in that area and which accounts they handle. Follow up! Don't just reach out once, keep reinforcing the points above and continue building the relationship over time.

## Using Knowland to Help You!

The Knowland Group offers a set of business development software tools that can help you navigate your relationships with third party planners. Be sure to make use of these tools to identify third parties and

some of their existing relationships so you know where you fit in!

Using Knowland's InDepth Research Requests /Qualifications can be a strategic tool in identifying the role of a third party. You are able to view group details and notes, which contain information about which third party the group utilizes, if any.

In addition to InDepth Research Requests, Knowland offers Advanced Researcher Profiles, which allow you to determine the nature of the third parties' relationships with organizations. You can search for the profile of the account you are interested in and check to see whether there is a third party relationship noted.

For example, with Siemens, you can see that ConferenceDirect handles Siemens as part of their SMM Program. With Knowland's 3rd Party Affiliation section, you can see the contacts within ConferenceDirect that handle Siemens directly.

Knowland takes it one step further with Insight (and Insight 3.0) in which you can pull up detailed information on the individual within the third party that handles an account you're interested in, including a picture or a LinkedIn account link.

## Bottom Line

In a nutshell, third parties help event planners implement and manage their event strategies and therefore take some of the pressure off the planners and make their jobs a little bit easier.

Whether you use Knowland tools to help understand third party planners or not, the bottom line is that third party relationships can be confusing. But if you make a concerted effort to get to know the third party and its clients, you will be well on your way to establishing an effective business relationship! Now that you understand some of the ins and outs of third party planners, you can better work with your sales team to take advantage of this lucrative portal of group business.